



(12) **United States Patent**
Boorman et al.

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(54) **SYSTEM AND METHOD FOR PROVIDING PROXY-BASED ONLINE DUTCH AUCTION SERVICES**

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(21) Appl. No.: **09/578,457**

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Related U.S. Application Data

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(51) Int. Cl.⁷ **C06F 17/60**

(52) U.S. Cl. **705/37; 705/35**

(58) Field of Search **705/37**

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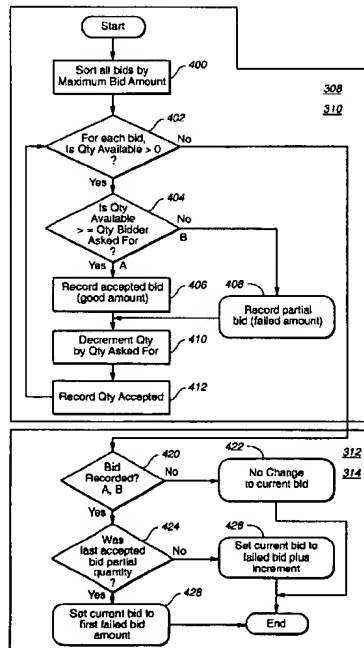
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(57) **ABSTRACT**

In a method for providing proxy-based online Dutch auction services, an auction server or manager receives bid messages from a set of auction participants during the course of an auction. Each bid message may include a participant ID, a quantity requested value, a current proxy value indicating a maximum amount that the participant corresponding to the participant ID is willing to pay, and a partial quantity acceptance flag. The auction manager ranks or prioritizes bids in accordance with participants' current proxy values; determines current auction winners and losers and allocates offered items accordingly; determines a new current bid amount; and automatically adjusts participant bid values in accordance with participants the new current bid amount as well as the participants' current proxy values and status as winners or losers. In determining a new current minimum bid amount, the auction manager may selectively adjust an existing bid amount by an increment value depending upon whether a bid has been recorded, and/or whether a recorded bid corresponds to a complete or partial item quantity.

21 Claims, 5 Drawing Sheets



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DOCUMENT-IDENTIFIER: US 6609112 B1

TITLE: System and method for providing proxy-based online Dutch **auction** services

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Abstract Text - ABTX (1):

In a method for providing proxy-based online Dutch **auction** services, an **auction** server or manager receives bid messages from a set of **auction** participants during the course of an **auction**. Each bid message may include a participant ID, a quantity requested value, a current proxy value indicating a maximum amount that the participant corresponding to the participant ID is willing to pay, and a partial quantity acceptance flag. The **auction** manager ranks or prioritizes bids in accordance with participants' current proxy values; determines current **auction** winners and losers and allocates offered items accordingly; determines a new current bid amount; and automatically **adjusts** participant bid values in accordance with participants the new current bid amount as well as the participants' current proxy values and status as winners or losers. In determining a new current minimum bid amount, the **auction** manager may selectively **adjust** an existing bid amount by an increment value depending upon whether a bid has been recorded, and/or whether a recorded bid corresponds to a complete or partial item quantity.

US Patent No. - PN (1):

6609112

TITLE - TI (1):

System and method for providing proxy-based online Dutch **auction** services

Detailed Description Text - DETX (10):

In the context of the present invention, a bid generated by a participant system 20 comprises a message that may include 1) a participant identification (ID) signal that uniquely identifies the participant corresponding to the

participant system 20; 2) a quantity requested value that indicates a number of items that the participant desires; 3) a proxy value that indicates a maximum amount that the participant is willing to pay or spend (i.e., the participant's spending cap); and 4) a partial acceptance flag that indicates whether the participant is willing to accept a number of items less than that specified by the quantity requested value. One or more of the aforementioned **parameters** may be specified prior to or at the outset of a Dutch **auction, while other parameters** may **change as the auction** proceeds. In one embodiment, a participant may raise their proxy value or their requested item quantity, but may not lower either one, during the course of a Dutch auction. The present invention automatically increases participants' bids as required, in accordance with and prioritized relative to the participants' proxy values, as the auction progresses.